



**Auditor of Public Accounts
Adam H. Edelen**

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Contact: Stephenie Hoelscher
stephenie.hoelscher@ky.gov
502.564.5841
513.289.7667

**Auditor Edelen Releases Report Highlighting Cyber Threats and the Need for a
Breach Notification Law**

FRANKFORT, Ky. (December 19, 2013) – On the heels of a cyber security breach involving 40 million credit card and debit cards at a national retailer, Auditor Adam Edelen has released a report that outlines the threats posed to state and local governments that collect and store massive amounts of citizens' private, sensitive data.

In the report, Auditor Edelen spotlights the need for a breach notification law in Kentucky, which is one of just four states that do not require government agencies to notify individuals if their sensitive data has been compromised.

"Breach notification laws grant us the right to be aware – to be vigilant," Auditor Edelen said. "Without them, we are at the mercy of government, forced to hope the right thing is done by notifying us when our information is compromised."

Auditor Edelen plans to share the cyber security report with the General Assembly and work with lawmakers in the upcoming session to get a breach notification bill passed.

"My primary role as state Auditor is to serve as the taxpayer watchdog," Auditor Edelen said. "However, few know that I am also the cyber watchdog."

The Auditor's office has long had a role in monitoring state and local government's ability to protect sensitive information. The office has a team of IT auditors that test security controls when the Auditor's office is conducting state and local government audits.

In an audit of the Kentucky Retirement Systems released last week, auditors found individuals who were no longer employed with KRS but retained access to software systems containing sensitive and confidential information.

The report cites numerous examples of cyber security breaches in Kentucky and elsewhere that have compromised individuals' private data. The most serious government breach in recent years occurred in South Carolina, where 3.3 million bank account numbers, 3.8 million Social Security numbers and sensitive information of 700,000 businesses were stolen. The breach occurred as a result of a state employee with authorization to these records falling victim to an email phishing scam.

South Carolina spent \$12 million on credit-monitoring services for individuals. The password encryption system that experts agree would have likely prevented the attack cost just \$12,000.

"Beyond the negative consequences of compromising sensitive data, cyber security breaches can needlessly cost taxpayers millions of dollars," Auditor Edelen said. "This is certainly a case where an ounce of prevention is worth a pound of cure."

The cyber security report also will be shared with state and local government officials to serve as an overview of the types of breaches that can occur and steps they can take to try to prevent them.

The full report can be found on the [Auditor's website](#).

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